

October 11, 2019

FOR YOUR INFORMATION

To: Mayor and Members of Council

From: Patrick A. Duhaney, City Manager 

Subject: PROPOSED TAX INCREMENT FINANCING DISTRICTS

Background

A Tax Increment Financing (TIF) District is a tool for cities, counties or townships to capture the tax revenue created by increases in property value for use on public improvements including infrastructure and housing. After a District is put into place, any increases to property values in the District contribute to a public infrastructure fund for the benefit of that District (roads, utilities, property acquisition, housing, etc.).

The City established 20 TIF Districts in 2002 and 2005 in neighborhoods around the City including Downtown, Over-The-Rhine, Carthage, Walnut Hills, East Walnut Hills, Clifton Heights, Corryville, Bond Hill, Evanston, West Price Hill, East Price Hill, Lower Price Hill, Sedamsville, Westwood, Madisonville, Oakley and Avondale. Since the creation of these districts, significant private investments have occurred in many of these districts creating revenue through the TIF Districts to undertake public infrastructure projects in these neighborhoods.

Until recently, City staff had been operating with the understanding that state legislative changes after 2005 had prevented the creation of new TIF Districts in Cincinnati, even as a number of City neighborhoods had requested a TIF district be created to address some of their community needs driven by private investment. Through the process of crafting its Housing Study in 2019, the West End requested that the City consider the creation of a TIF District in the West End to address public infrastructure and housing needs in the neighborhood. In researching the feasibility of this request, the City Administration determined that it was feasible to create additional TIF Districts in areas of Cincinnati that met the requirements of the Ohio Revised Code.

Once the Administration determined that additional TIF Districts could be created as it engaged with the West End Community Council about creating a TIF District in the West End, the Administration began to identify other City neighborhoods that met the eligibility criteria for a TIF District. Further, the Administration reviewed the designated Opportunity Zones for eligibility due to the private investment that these zones may attract.

New Proposed Districts

The Administration is proposing 15 new TIF Districts in Camp Washington, College Hill, East End/Columbia Tusculum, Mt. Airy, Mt. Auburn, North Fairmount, Northside, Pleasant Ridge, Riverside, Roselawn, South Cumminsville, South Fairmount, Spring Grove Village, West End, and Westwood.

After crafting a boundary for each district based on the main commercial corridor of the eligible areas within the neighborhood of up to 300 acres, the Administration has commenced a public engagement process that included notifying each property owner within the proposed TIF District as well as the community council and community development corporations active within the neighborhood. The early results of this engagement process indicate widespread support and excitement for the new resources that TIF Districts could bring to neighborhoods. The Administration has also created a webpage with more information on the proposed districts that can be found at www.choosecincy.com/2019TIFDistricts.

Summary

The Administration is recommending that all 15 TIF districts be put into place prior to the end of 2019 as the triennial property reassessment is ongoing, so that any property increases resulting from the investments in these districts may create increment available for public infrastructure or housing needs within the TIF Districts in the 2020 tax year. There will be a public hearing on the proposed TIF Districts at the Economic Growth and Zoning Committee of City Council on November 13 at 10:00 a.m. Due to a 30 day period required by State law between the public hearing for a TIF District and passage by the legislative authority, it is anticipated that all proposed TIF Districts will be brought to City Council for consideration and approval on December 18, 2019.

The Administration is available to answer any questions you may have about TIF Districts and the many benefits they have brought to our neighborhoods over the last twenty years.

Attachment: Map of Existing and Proposed TIF Districts

Copy: Philip M. Denning, Director, Department of Community and Economic Development